
AGENCY OVERVIEW**601 Department of Commerce**

Date: 12/23/2014**Time:** 13:08:26**Statutory Authority**

North Dakota Century Code Chapters 4-14.1 and 10-30.5, 54-34.3, 54-34.4, 54-44.5, 54-60, 54-62.

Agency Description

The North Dakota Department of Commerce has four divisions: Community Services, Economic Development & Finance, Tourism and Workforce Development that work together to expand the economy of North Dakota, support community development and provide services to low income people. Our challenge is to make North Dakota a better place to live, work, do business and play, for all of the people that choose to make North Dakota their home.

Agency Mission Statement

- The Department of Commerce's Mission is to be the lead agency responsible for attracting, retaining and expanding wealth in North Dakota.
- The Department of Commerce's Vision is to improve the quality of life for the people of North Dakota.
- The Department of Commerce's Values are to contribute to a high-trust, innovative, focused and accountable team.

Agency Performance Measures

The North Dakota Department of Commerce has individual, team, division, agency and statewide performance measures. The department works diligently to create a line of sight for all employees to connect their individual and programmatic measures to the North Dakota Economic Development Strategic Plan.

This plan identifies 6 major goals and 21 performance measures. In addition to these six goals, the department also has identified two other goals to address internal culture and operations.

Major Accomplishments

1. Developed 31 new primary sector projects during the 2011-13 biennium.
2. Developed 13 new primary sector projects during the first year of the 2013-15 biennium.
3. Brought \$231.6 million new dollars from visitor expenditures into North Dakota in 2012 through the Division of Tourism's media advertising at a cost \$1.9 million, resulting in a 1:119 return on investment.
4. Maintained an annual occupancy rate 4.0 percent higher than the national average. North Dakota led nation in growth of travel-generated employment and traveler expenditures.
5. Recognized record increases in airline boardings and lodging tax collected. North Dakota State University research indicated Tourism's contribution to the state's economy grew 3.3 percent with \$5.00 billion spent by non-residents in 2012. This makes the tourism industry the third strongest contributor behind Agriculture (\$9.00 billion) and Oil (\$14.6 billion).
6. Led effort to improve North Dakota's statewide energy policy through Empower ND Commission.
7. Led efforts in growth of and accountability for the Centers of Excellence program.
8. Led efforts to attract, retain, and expand workforce through out-of-state recruitment efforts, Operation Intern, Youth Office, Relocation Program, and statewide workforce strategy development.
9. Expanded efforts to assist out-of-state job seekers in relocation to North Dakota. Direct impact: 56 individuals and families notified the department that they relocated to North Dakota from July 2012 - June 2014; Indirect impact: 11,898 individuals served in calendar year 2014.
10. Administered Operation Intern program to connect North Dakota students with North Dakota careers via internship placements. For the biennium, as of July 2013, 19 students have notified the department that they secured full-time employment with a North Dakota employer following their internship experience. Eighty-five students have notified the department of North Dakota employment following their internship since program inception.

Future Critical Issues

1. Consistent and transparent communication to the citizens of North Dakota.
2. It is vital that we continue to maintain and enhance the positive image of North Dakota that has been cultivated through Department of Commerce efforts, both within and outside of our state boundaries.

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3. Financial resources to provide essential services to our customers. The Department of Commerce is operating at peak capacity. In order to implement any new programs, positive adjustments will need to be made to our financial resources and staffing.
4. Strengthening the cooperative efforts between the Department and all of its partners. The Department of Commerce has established a cooperative spirit with its various partners, both private and public. It is of great importance to continue to focus on long-term strategies for economic development, community development, workforce development, and tourism development.
5. A new strategic plan has been launched in 2010 by the Hoeven Administration and the Economic Development Foundation. Value-added Agriculture, Advanced Manufacturing, Energy, Technology-Based Business, and Tourism remain targets for industry development. In addition five key strategic initiatives remain critical to the states economic growth. These include: maintaining a strong business climate, supporting entrepreneurs, workforce development, commercializing university-based research, and international trade. We also need to continue aggressive and cooperative work with local communities to develop industries that are a match with each respective community.
6. Increase our efforts in regard to measurements. In order to better represent to the constituents, the enormous value of the work performed by the Department, we must continue to expand and improve upon our efforts to provide better measurements of our progress.
7. Address crucial workforce and infrastructure development issues. Due to the growth that is occurring in the state economy, particularly in energy development, we are continually faced with a wide variety of workforce and infrastructure issues. It is important that the Department of Commerce is appropriately positioned to deal with these issues as they surface.
8. Close alignment with the 2020 & Beyond initiative. Several of the top issues that have surfaced through the 2020 & Beyond development are closely aligned with Commerce.
9. Continue to develop tourism through infrastructure improvements and marketing in order to retain new residents, attract visitors, and enhance the quality of life throughout the state.

REQUEST SUMMARY

601 Department of Commerce
Biennium: 2015-2017

Bill#: HB1018

Date: 12/23/2014

Time: 13:08:26

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
By Major Program					
Commerce Administration	24,112,378	11,659,838	(1,097,782)	10,562,056	711,328
Innovation and Entrepreneurship	2,293,808	24,824,539	(22,389,790)	2,434,749	17,225,757
North Dakota Tourism	10,487,191	11,924,663	(785,117)	11,139,546	4,347,915
ND Workforce Development	2,520,215	13,810,343	(9,336,541)	4,473,802	8,219,921
Economic Development and Finance	6,276,213	9,367,643	(2,312,523)	7,055,120	210,897
Division of Community Services	67,942,563	72,613,404	(10,224,475)	62,388,929	5,680,043
Total Major Program	113,632,368	144,200,430	(46,146,228)	98,054,202	36,395,861
By Line Item					
Salaries and Wages	10,302,501	12,361,114	18,454	12,379,568	178,607
Accrued Leave Payments	0	243,767	(243,767)	0	0
Operating Expenses	12,617,068	16,435,749	241,227	16,676,976	7,807,963
Capital Assets	0	10,000	(10,000)	0	0
Grants	38,581,763	69,809,166	(22,427,871)	47,381,295	16,009,291
Discretionary Grants	964,117	1,605,740	(677,658)	928,082	0
Workforce Enhancement Fund	375,000	2,000,000	(2,000,000)	0	2,000,000
Economic Develop Initiatives	167,259	186,846	(186,846)	0	0
Flood Impact Loans/Grants	2,931,627	18,358,866	(5,503,866)	12,855,000	0
Agric. Products Util. Comm. (APUC)	1,827,456	5,506,968	(2,209,131)	3,297,837	0
ResearchND	12,000,000	12,000,000	(12,000,000)	0	10,000,000
North Dakota Trade Office	2,605,944	2,613,400	0	2,613,400	0
Partner Programs	2,063,678	2,022,044	(100,000)	1,922,044	400,000
Visual North Dakota	0	250,000	(250,000)	0	0
Federal Stimulus Funds - 2009	29,195,955	796,770	(796,770)	0	0
Total Line Items	113,632,368	144,200,430	(46,146,228)	98,054,202	36,395,861
By Funding Source					
General Fund	44,382,976	67,212,489	(35,026,365)	32,186,124	36,345,861
Federal Funds	65,751,283	60,828,054	(5,495,203)	55,332,851	0
Special Funds	3,498,109	16,159,887	(5,624,660)	10,535,227	50,000
Total Funding Source	113,632,368	144,200,430	(46,146,228)	98,054,202	36,395,861
Total FTE	68.25	69.25	0.00	69.25	0.15

REQUEST DETAIL

601 Department of Commerce
Biennium: 2015-2017

Bill#: HB1018

Date: 12/23/2014

Time: 13:08:26

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	7,554,048	9,049,876	(325,338)	8,724,538	1,552
Temporary Salaries	121,748	46,000	277,832	323,832	139,213
Overtime	10,414	5,000	(5,000)	0	0
Fringe Benefits	2,616,291	3,260,238	70,960	3,331,198	37,842
Total	10,302,501	12,361,114	18,454	12,379,568	178,607
Salaries and Wages					
General Fund	7,884,089	9,296,846	484,239	9,781,085	178,607
Federal Funds	1,597,414	2,069,956	(318,111)	1,751,845	0
Special Funds	820,998	994,312	(147,674)	846,638	0
Total	10,302,501	12,361,114	18,454	12,379,568	178,607
Accrued Leave Payments					
Salaries - Permanent	0	243,767	(243,767)	0	0
Total	0	243,767	(243,767)	0	0
Accrued Leave Payments					
General Fund	0	243,767	(243,767)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	243,767	(243,767)	0	0
Operating Expenses					
Travel	662,747	881,263	45,049	926,312	129,886
Supplies - IT Software	41,458	45,127	30,503	75,630	5,300
Supply/Material-Professional	96,592	134,052	(1,876)	132,176	1,000
Food and Clothing	3,964	670	(50)	620	0
Bldg, Ground, Maintenance	332	2,600	0	2,600	0
Miscellaneous Supplies	82,732	217,911	11,378	229,289	10,500
Office Supplies	89,096	66,839	(595)	66,244	2,251
Postage	260,645	279,176	7,434	286,610	10,200
Printing	834,508	831,511	8,579	840,090	67,950
IT Equip Under \$5,000	49,697	64,875	(4,340)	60,535	2,800
Other Equip Under \$5,000	14,794	0	0	0	0
Office Equip & Furn Supplies	3,708	61,172	(14,422)	46,750	1,500
Insurance	8,488	8,168	(1,866)	6,302	0
Rentals/Leases-Equip & Other	16,236	25,289	(4,307)	20,982	0
Rentals/Leases - Bldg/Land	580,662	492,297	63,485	555,782	297,804

REQUEST DETAIL

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Repairs	5,059	130,255	(257)	129,998	0
IT - Data Processing	238,906	246,526	88,779	335,305	154,987
IT - Communications	129,613	139,484	5,472	144,956	3,000
IT Contractual Srvcs and Rprs	303,841	245,611	59,062	304,673	10,400
Professional Development	461,626	427,572	34,360	461,932	58,200
Operating Fees and Services	7,152,588	10,540,586	(268,978)	10,271,608	6,481,545
Fees - Professional Services	1,534,106	1,594,765	183,817	1,778,582	570,640
Grants, Benefits & Claims	45,670	0	0	0	0
Total	12,617,068	16,435,749	241,227	16,676,976	7,807,963
Operating Expenses					
General Fund	11,374,924	14,556,890	(424,561)	14,132,329	7,757,963
Federal Funds	493,723	789,575	506,515	1,296,090	0
Special Funds	748,421	1,089,284	159,273	1,248,557	50,000
Total	12,617,068	16,435,749	241,227	16,676,976	7,807,963
Capital Assets					
Equipment Over \$5000	0	10,000	(10,000)	0	0
Total	0	10,000	(10,000)	0	0
Capital Assets					
General Fund	0	0	0	0	0
Federal Funds	0	10,000	(10,000)	0	0
Special Funds	0	0	0	0	0
Total	0	10,000	(10,000)	0	0
Grants					
Grants, Benefits & Claims	37,456,763	69,809,166	(22,427,871)	47,381,295	16,009,291
Transfers Out	1,125,000	0	0	0	0
Total	38,581,763	69,809,166	(22,427,871)	47,381,295	16,009,291
Grants					
General Fund	5,220,641	20,593,191	(18,986,216)	1,606,975	16,009,291
Federal Funds	31,532,565	38,502,887	927,029	39,429,916	0
Special Funds	1,828,557	10,713,088	(4,368,684)	6,344,404	0
Total	38,581,763	69,809,166	(22,427,871)	47,381,295	16,009,291
Discretionary Grants					
Grants, Benefits & Claims	964,117	1,605,740	(677,658)	928,082	0

REQUEST DETAIL

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Total	964,117	1,605,740	(677,658)	928,082	0
Discretionary Grants					
General Fund	964,117	1,605,740	(677,658)	928,082	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	964,117	1,605,740	(677,658)	928,082	0
Workforce Enhancement Fund					
Grants, Benefits & Claims	0	2,000,000	(2,000,000)	0	2,000,000
Transfers Out	375,000	0	0	0	0
Total	375,000	2,000,000	(2,000,000)	0	2,000,000
Workforce Enhancement Fund					
General Fund	375,000	2,000,000	(2,000,000)	0	2,000,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	375,000	2,000,000	(2,000,000)	0	2,000,000
Economic Develop Initiatives					
Grants, Benefits & Claims	167,259	186,846	(186,846)	0	0
Total	167,259	186,846	(186,846)	0	0
Economic Develop Initiatives					
General Fund	167,259	186,846	(186,846)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	167,259	186,846	(186,846)	0	0
Flood Impact Loans/Grants					
Salaries - Permanent	86,193	106,688	(55,988)	50,700	0
Fringe Benefits	30,467	31,472	(11,778)	19,694	0
Travel	4,072	3,500	14,200	17,700	0
Supplies - IT Software	0	400	600	1,000	0
Supply/Material-Professional	103	0	0	0	0
Postage	175	100	300	400	0
IT Equip Under \$5,000	0	1,000	(1,000)	0	0
Rentals/Leases - Bldg/Land	407	3,140	860	4,000	0
IT - Data Processing	0	0	500	500	0

REQUEST DETAIL

601 Department of Commerce
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
IT - Communications	0	100	400	500	0
IT Contractual Svcs and Rprs	0	500	(500)	0	0
Professional Development	3,250	0	4,000	4,000	0
Operating Fees and Services	48,488	66,282	(38,397)	27,885	0
Fees - Professional Services	257,967	75,618	(46,997)	28,621	0
Grants, Benefits & Claims	2,500,505	18,070,066	(5,370,066)	12,700,000	0
Total	2,931,627	18,358,866	(5,503,866)	12,855,000	0

Flood Impact Loans/Grants

General Fund	0	0	0	0	0
Federal Funds	2,931,627	18,358,866	(5,503,866)	12,855,000	0
Special Funds	0	0	0	0	0
Total	2,931,627	18,358,866	(5,503,866)	12,855,000	0

Agric. Products Util. Comm. (APUC)

Salaries - Permanent	219,385	220,423	36,121	256,544	0
Fringe Benefits	81,691	84,453	13,695	98,148	0
Travel	27,906	34,460	2,000	36,460	0
Supplies - IT Software	442	750	850	1,600	0
Supply/Material-Professional	558	2,000	(500)	1,500	0
Bldg, Ground, Maintenance	23	0	0	0	0
Miscellaneous Supplies	375	1,500	0	1,500	0
Office Supplies	842	1,500	0	1,500	0
Postage	841	1,200	0	1,200	0
Printing	3,422	2,500	0	2,500	0
IT Equip Under \$5,000	90	3,200	0	3,200	0
Other Equip Under \$5,000	95	0	0	0	0
Office Equip & Furn Supplies	673	0	0	0	0
Rentals/Leases - Bldg/Land	11,429	12,000	0	12,000	0
Repairs	0	500	0	500	0
IT - Data Processing	4,590	6,480	3,177	9,657	0
IT - Communications	4,055	4,400	0	4,400	0
IT Contractual Svcs and Rprs	1,420	1,300	0	1,300	0
Professional Development	12,223	15,000	0	15,000	0
Operating Fees and Services	2,348	4,000	0	4,000	0
Fees - Professional Services	674	6,000	2,000	8,000	0
Grants, Benefits & Claims	1,449,374	5,105,302	(2,266,474)	2,838,828	0
Transfers Out	5,000	0	0	0	0
Total	1,827,456	5,506,968	(2,209,131)	3,297,837	0

REQUEST DETAIL601 Department of Commerce
Biennium: 2015-2017

Bill#: HB1018

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Agric. Products Util. Comm. (APUC)					
General Fund	1,727,323	1,843,765	(641,556)	1,202,209	0
Federal Funds	0	300,000	(300,000)	0	0
Special Funds	100,133	3,363,203	(1,267,575)	2,095,628	0
Total	1,827,456	5,506,968	(2,209,131)	3,297,837	0
ResearchND					
Grants, Benefits & Claims	0	12,000,000	(12,000,000)	0	10,000,000
Transfers Out	12,000,000	0	0	0	0
Total	12,000,000	12,000,000	(12,000,000)	0	10,000,000
ResearchND					
General Fund	12,000,000	12,000,000	(12,000,000)	0	10,000,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	12,000,000	12,000,000	(12,000,000)	0	10,000,000
North Dakota Trade Office					
Operating Fees and Services	2,605,944	2,613,400	0	2,613,400	0
Total	2,605,944	2,613,400	0	2,613,400	0
North Dakota Trade Office					
General Fund	2,605,944	2,613,400	0	2,613,400	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	2,605,944	2,613,400	0	2,613,400	0
Partner Programs					
Supply/Material-Professional	78	0	0	0	0
Printing	419	0	0	0	0
Operating Fees and Services	149,504	1,050,000	(100,000)	950,000	200,000
Fees - Professional Services	950,000	0	0	0	0
Grants, Benefits & Claims	963,677	972,044	0	972,044	200,000
Total	2,063,678	2,022,044	(100,000)	1,922,044	400,000
Partner Programs					
General Fund	2,063,678	2,022,044	(100,000)	1,922,044	400,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0

REQUEST DETAIL

601 Department of Commerce
Biennium: 2015-2017

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Total	2,063,678	2,022,044	(100,000)	1,922,044	400,000
Visual North Dakota					
Grants, Benefits & Claims	0	250,000	(250,000)	0	0
Total	0	250,000	(250,000)	0	0
Visual North Dakota					
General Fund	0	250,000	(250,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	250,000	(250,000)	0	0
Federal Stimulus Funds - 2009					
Salaries - Permanent	366,174	0	0	0	0
Temporary Salaries	10,508	0	0	0	0
Fringe Benefits	118,990	0	0	0	0
Travel	45,000	0	0	0	0
Supplies - IT Software	297	0	0	0	0
Supply/Material-Professional	196	0	0	0	0
Bldg, Ground, Maintenance	77	0	0	0	0
Miscellaneous Supplies	4,218	0	0	0	0
Office Supplies	1,628	0	0	0	0
Postage	1,106	0	0	0	0
Printing	1,273	0	0	0	0
IT Equip Under \$5,000	1,526	0	0	0	0
Other Equip Under \$5,000	82	0	0	0	0
Rentals/Leases - Bldg/Land	9,788	0	0	0	0
IT - Communications	3,481	0	0	0	0
IT Contractual Svcs and Rprs	283	0	0	0	0
Professional Development	25,965	0	0	0	0
Operating Fees and Services	164,410	0	0	0	0
Grants, Benefits & Claims	28,440,953	796,770	(796,770)	0	0
Total	29,195,955	796,770	(796,770)	0	0
Federal Stimulus Funds - 2009					
General Fund	1	0	0	0	0
Federal Funds	29,195,954	796,770	(796,770)	0	0
Special Funds	0	0	0	0	0
Total	29,195,955	796,770	(796,770)	0	0

REQUEST DETAIL

601 Department of Commerce
Biennium: 2015-2017

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
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Funding Sources

General Fund	44,382,976	67,212,489	(35,026,365)	32,186,124	36,345,861
Federal Funds	65,751,283	60,828,054	(5,495,203)	55,332,851	0
Special Funds	3,498,109	16,159,887	(5,624,660)	10,535,227	50,000
Total Funding Sources	113,632,368	144,200,430	(46,146,228)	98,054,202	36,395,861

CHANGE PACKAGE SUMMARY601 Department of Commerce
Biennium: 2015-2017

Bill#: HB1018

Date: 12/23/2014

Time: 13:08:26

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
One Time Budget Changes						
A-E 7 Remove prior biennium one-time appropriations		0.00	(32,400,000)	(19,017,476)	(4,500,000)	(55,917,476)
A-E 9 Remove Carryover authority		0.00	(2,755,429)	0	(1,624,919)	(4,380,348)
Total One Time Budget Changes		0.00	(35,155,429)	(19,017,476)	(6,124,919)	(60,297,824)
Ongoing Budget Changes						
A-A 1 Increased cost to do business		0.00	221,356	33,031	8,559	262,946
A-A 2 Miscellaneous changes		0.00	(173,947)	(51,956)	(19,616)	(245,519)
A-A 3 Operation changes		0.00	(32,334)	525,440	170,330	663,436
A-A 4 Program changes		0.00	(176,299)	13,411,635	488,660	13,723,996
A-F 10 Remove prior biennium capital assets		0.00	0	(10,000)	0	(10,000)
Base Payroll Change		0.00	290,288	(385,877)	(147,674)	(243,263)
Total Ongoing Budget Changes		0.00	129,064	13,522,273	500,259	14,151,596
Total Base Budget Changes		0.00	(35,026,365)	(5,495,203)	(5,624,660)	(46,146,228)

Optional Budget Changes**One Time Optional Changes**

A-D 29 Tourism Midwest markets	2	0.00	3,244,752	0	0	3,244,752
A-D 15 Unmanned aerial systems	3	0.00	2,218,620	0	0	2,218,620
A-D 13 Research ND	4	0.00	10,000,000	0	0	10,000,000
A-D 12 Childcare facility grants	5	0.00	3,000,000	0	0	3,000,000
A-D 14 Tourism infrastructure grants	6	0.00	750,000	0	0	750,000
A-D 16 Workforce enhancement grants	8	0.00	2,000,000	0	0	2,000,000
A-D 35 Find the good life	9	0.00	500,000	0	0	500,000
A-D 34 Educators & industry externships	10	0.00	300,000	0	0	300,000
A-D 37 Promotion of UAS Industry	13	0.00	200,000	0	50,000	250,000
A-D 30 Foreign direct investment	14	0.00	200,200	0	0	200,200
A-D 11 Base realignment grants	20	0.00	1,500,000	0	0	1,500,000

CHANGE PACKAGE SUMMARY

601 Department of Commerce

Biennium: 2015-2017

Bill#: HB1018

Date: 12/23/2014

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
A-D 19 Rural health services grant	22	0.00	400,000	0	0	400,000
A-D 38 Tribal College Grants	23	0.00	5,000,000	0	0	5,000,000
Total One Time Optional Changes		0.00	29,313,572	0	50,000	29,363,572
Ongoing Optional Changes						
A-C 27 Entrepreneurial ecosystem	1	0.00	3,500,000	0	0	3,500,000
A-C 18 Homeless shelter grants	7	0.00	2,000,000	0	0	2,000,000
A-C 23 Inflationary increase	11	0.00	198,341	0	0	198,341
A-C 36 Tourism Admin FTE	12	0.15	25,472	0	0	25,472
A-C 28 Tourism international	15	0.00	247,836	0	0	247,836
A-C 31 Community development block grant program	16	0.00	160,640	0	0	160,640
A-C 20 Manufacturing extension partnership	17	0.00	200,000	0	0	200,000
A-C 22 Small business development center	18	0.00	100,000	0	0	100,000
A-C 32 Community action energy conservation	19	0.00	500,000	0	0	500,000
A-C 21 Womens Business Dev Office & Rural Dev Office	21	0.00	100,000	0	0	100,000
Total Ongoing Optional Changes		0.15	7,032,289	0	0	7,032,289
Total Optional Budget Changes		0.15	36,345,861	0	50,000	36,395,861

BUDGET CHANGES NARRATIVE

601 Department of Commerce

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Change Group: A	Change Type: A	Change No: 1	Priority:
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Increased cost to do business

Increased cost to do business changes relate to increased inflationary and overhead costs.

Change Group: A	Change Type: A	Change No: 2	Priority:
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Miscellaneous changes

Miscellaneous budget changes relate to internal changes within a program. The amounts of the monetary changes are based on an analysis of historical budget data.

Change Group: A	Change Type: A	Change No: 3	Priority:
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Operation changes

Operation budget changes relate to internal shifts of direction in day-to-day functions of the agency. Monetary line item increases will usually be offset by decreases within other line items.

Change Group: A	Change Type: A	Change No: 4	Priority:
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Program changes

Program budget changes relate to the enhancement or reduction of services within specific program areas of the agency. Monetary increases in one program will usually be offset by decreases in another program.

Change Group: A	Change Type: A	Change No: 5	Priority:
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Capital asset adjustment

This adjustment is made to increase or decrease the capital assets line to reflect the requested amount.

Change Group: A	Change Type: A	Change No: 6	Priority:
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Cost to continue adjustment

This adjustment is automatically calculated to sustain payroll expenditures.

Change Group: A	Change Type: B	Change No: 8	Priority:
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Base budget one-time adjustment

This adjustment is made in the appropriation request to seek funding for any proposed one-time adjustment amounts.

Change Group: A	Change Type: C	Change No: 18	Priority: 7
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Homeless shelter grants

Objective:

To obtain funding for the North Dakota Homeless Grant Program which provide financial assistance to facilities and programs to identify sheltered and unsheltered homeless persons, those at risk of homelessness, and provide the services necessary to regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

Opportunity:

North Dakota's homeless population increased by 347% from 2012 to 2013. This funding provides the opportunity to serve the increased population of homeless with the services to minimize the huge increase in homelessness by:

- Street Outreach through engagement, case management, emergency health services, emergency mental health services, transportation and services for special populations.
- Emergency Shelter through cost of operating an emergency shelter, essential services such as case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, substance abuse treatment services, transportation and services for special populations.
- Homeless Prevention and Rapid Rehousing costs such as rental application fees, security deposits, last month's rent, utility deposits, utility payments and moving costs. Also service costs such as housing search and placement, housing stability case management, mediation, legal services and credit repaid. Short-term and medium-term rental assistance is an integral part of homeless prevention and rapid rehousing.

Costs to administer this program includes activities such as reviewing the proposals for funding, scoring and ranking of projects on a statewide basis, issue financial awards, and technical support to monitoring each sub-recipient for compliance.

Results:

Based on 2013 and the upcoming 2014 grant year, over 18,300 individual were helped either through shelter or homeless prevention/rapid rehousing. Twenty four grants were funded in 2013 and twenty seven grants were funded in 2014. Applications received for 2013 were in the amount over \$2.4 million and \$2.5 million for 2014.

Change Group: A	Change Type: C	Change No: 20	Priority: 17
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Manufacturing extension partnership

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The National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) will be increasing the federal funding for the MEP program in North Dakota to an annual base amount of \$500,000. This is an increase of \$28,318 over the current annual base of \$471,682. It is the first federal funding increase for the MEP program in North Dakota since 2003.

ND MEP needs to provide a 2:1 match to leverage the federal funds. As a result, we are requesting an annual increase for the MEP program from \$475,000 to \$500,000. The remaining match will be raised through support provided by manufacturers for services provided to them and their industry.

NIST MEP will also make available an optional \$100,000 each year to build on the base amount of \$500,000. This optional amount is subject to approval by NIST MEP but should focus on advancing additional opportunities of importance to manufacturers in ND. Again, this optional amount would require a 2:1 match. Therefore, MEP would like to also request an additional \$100,000 match for these optional funds. The remaining match will also be raised through support provided by manufacturers.

Change Group: A	Change Type: C	Change No: 21	Priority: 21
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Womens Business Dev Office & Rural Dev Office

Funds will be passed through to the Womens Business Development Center and the Rural Development Center.

Change Group: A	Change Type: C	Change No: 22	Priority: 18
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Small business development center

Funds will be passed through to the Small Business Development Center.

Change Group: A	Change Type: C	Change No: 23	Priority: 11
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Inflationary increase

Funds will be used to pay for the increased data processing costs for the agency and also to cover the rent increase for the 15-17 biennium.

Change Group: A	Change Type: C	Change No: 27	Priority: 1
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Entrepreneurial ecosystem

Innovate ND and Technology-Based Entrepreneurship Grants assist entrepreneurs in starting and growing their business in North Dakota. Both programs have seen increased demand and additional funds are requested to meet this demand and reach more entrepreneurs. The requested entrepreneurship grants funds will be used for vouchers for Innovate ND participants to access resources to advance their businesses; grants to entrepreneurial centers to assist entrepreneurs; and grants to startup technology and innovative businesses.

Change Group: A	Change Type: C	Change No: 28	Priority: 15
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Tourism international

Objective: To obtain funding for a new marketing program in the United Kingdom, France, Italy and the Benelux region, in cooperation with Rocky Mountain International, to increase exposure, knowledge and visitation increases from these markets to the state of North Dakota.

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Opportunity: For the past 17 years, ND Tourism has worked in limited partnership with Rocky Mountain International (RMI), a consortium of states that promotes the Rocky Mountain region in Australia, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland and the United Kingdom. RMI assists in generating media coverage for North Dakota in international markets and enticing international consumers to visit North Dakota. Our request is to acquire additional ongoing funding for a full partnership contract with R.M.I. and the additional staff time and travel expenses this contract fulfillment will require.

Now is a critical time in the international marketplace. The United States is now promoting itself as a travel destination to the world through BRAND USA and the Travel Promotion Act (a self-funded initiative). This new USA marketing has brought 1.1 million more visitors to the United States in 2013.

Most European countries are recovering from a much worse recession that we have seen here in the US. There is improved consumer confidence for increased international travel and pent up demand for travel to the United States.

Because of this consortium, we are able to reach over 6 million more people, 3 times what we are now, for less than twice what we are currently paying.

Additional Benefits:

- ND would be FULLY vested in the largest International Marketing program in the region.
- ND's marketing effort would be supported by FOUR full-time US based RMI staff
- ND efforts would be rolled into RMI efforts, which would give ND full time, year- round representation.
- Nordic Region and Australia/NZ markets would be rolled into full contract.
- Actual offices in 5 additional markets assisting us with media, education, mailing and brochure distribution to consumers and the travel trade.
- Full Partnership status at all RMI shows (ITB, WTM, TTG, etc.)
- Full time in-country representation in the United Kingdom, France, Italy, The Netherlands and Germany including:
 - Trade Industry staff trainings throughout the year by RMI reps
 - Consumer Show participation by the RMI reps
 - One major trade fair or mission per market per year

Change Group: A	Change Type: C	Change No: 31	Priority: 16
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Community development block grant program

Objective: To obtain funding to continue to partner with the eight Regional Planning Councils in the delivery of the CDBG Program to units of local governments.

Background:

- 1982 – the first year ND received CDBG funds from HUD.
- Initially units of local government applied to the state for funding.
- 1993 - the program incorporated the eight Regional Planning Councils in the delivery of the program.
- For the past 10 years Congress has decreased the CDBG allocation, however, the rules have become more stringent and the number of mandates increased.

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- Reduced allocation results in a shortfall in administrative funds to manage the program.
- Administrative Funds allowed are 2% of the allocation amount plus \$100,000 match free.
- A state match is required on the 2%.
- Since 1993 the Regional Councils have received all of the match free administrative dollars.
- The total amount of available federal administrative dollars are insufficient to cover both State and Regional Councils administrative costs.

Options:

-Additional state funds will be required to continue to operate as it currently exists.

-If additional state funds are not approved, the program will need to be completely redesigned resulting in removing the Regional Councils from program delivery process and projects will be ranked on a Statewide basis.

Change Group: A	Change Type: C	Change No: 32	Priority: 19
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Community action energy conservation

Funded primarily with Department of Energy (DOE) funds this program has installed energy conservation measures to 9,400 homes since 2001 at an annual savings of \$437 per home, per year. Lauded by the DOE as one of the best states and local CAA partnerships in the country, often out performing larger states. The years of training and experience by the 50 + Energy Conservation staff make the CAP Weatherization Program a vital source of energy conservation in our state. Recently DOE has handed down numerous rules and regulations that will have a direct impact on the ability to of the program to continue to provide the quality services they have for so many years for the low-income people of our state. These regulations, which will require the agency to hire outside electrical contractors to complete certain tasks, will likely force them to walk away from numerous jobs due to the high costs and the limited funds DOE has allocated for these procedures. It is well known that a certified electrician in not only hard to come by but also very expensive in North Dakota. For CAP to continue to meet the needs of our clients we feel we will need another source of funding. These funds would enable the CAP's to continue the Energy Conservation Services to those in need throughout North Dakota.

Change Group: A	Change Type: C	Change No: 36	Priority: 12
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Tourism Admin FTE

A .15 FTE is needed to complete an employee who currently is in a .85 FTE. This position will begin working full-time and take over duties currently performed by temp help. The increase in the permanent salary line is offset by the decrease in the temp salary line.

Change Group: A	Change Type: D	Change No: 11	Priority: 20
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Base realignment grants

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Funds will be used for base realignment purposes.

Change Group: A	Change Type: D	Change No: 12	Priority: 5
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Childcare facility grants

Objective:

To obtain funding to increase childcare capacity by administering grants to expand and create child care facilities within the state.

Opportunity:

Children in North Dakota potentially needing child care according to the September 2013 North Dakota Child Care Profile published by Child Care Aware of North Dakota.

	0-2 yrs	3 yrs	4-5 yrs	6-12 yrs	Total
Children by age	27,076	8,962	17,791	55,963	109,792
% of Children Ages 0 to 5 with All Parents in the Labor Force					73.2%
% of Children Ages 6 to 13 with All Parents in the Labor Force					81.2%
Children Ages 0 to 5 potentially needing child care due to parents in workforce					39,397
Children Ages 6 to 12 potentially needing child care due to parents in workforce					45,452
Capacity of licensed child care programs (family, group, center, school-age)					30,888
Children Potentially Needing Child Care					84,850

Costs to administer this program includes activites suchs as reviewing the propals for funding, prioritizing of projects on a statewide basis, issue financial awards, technical support to monitoring each sub-recipient, and collect necessary information to provide to the legislature.

Results:

The 2013-14 Legislature appropriated \$2,600,000 to the Department of Commerce to administer grants in order to increase child care capacity in the state. The maximum grant amount was \$187,500 per facility, set by statute. It also required a match requirement of one dollar of matching funds for every three dollars of grant funds.

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Grant applications were accepted between July 1 and August 30, 2013. The Department of Commerce received a total of 76 applications totaling \$4,952,346 in requests. The program was able to fund 22 projects with the available funds. It is estimated the childcare capacity will increase a total of 1,100 slots because of the childcare grant program.

Change Group: A	Change Type: D	Change No: 13	Priority: 4
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Research ND

Research ND promotes the development and commercialization of products and processes through industry/university research partnerships. The requested funds will be used to provide grants to North Dakota's research universities to match private dollars for research, development and commercialization projects.

Change Group: A	Change Type: D	Change No: 14	Priority: 6
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Tourism infrastructure grants

Objective: To obtain funding to continue the tourism infrastructure grant program. The intent is to fund new tourism operations capable of attracting visitors from outside of North Dakota for a least one overnight stay. New attractions or major expansions funded would help give the state additional experiences to deliver on the legendary brand promise the division uses in marketing the state. The grants require a 1:1 match.

Opportunity: The tourism industry is growing significantly in the accommodations sector with approximately 10,000 new rooms opening across North Dakota since 2010. These additional rooms have resulted in a decreasing occupancy rate – currently 59.2%. This marks the first time the ND occupancy rate has been below the national average in many years. In addition to a strong marketing program, we also need to build and create more activities to attract, retain and entertain these visitors.

- The expansion grants (\$100,000 of program money from tourism and ED&F which has been in place since 2007) have not met the demands of the industry to build new attractions. In 2010 we had 25 projects apply for \$429,840 in funds and we were able to fund only five projects. The same was true in 2011 when we had 26 projects apply for \$422,179. That year we funded 10 projects at lower levels. In 2012 we had 24 projects apply for \$410,843 and funded \$100,000. For 2013 we again saw strong demand with 33 projects requesting \$657,252 of which we funded five. In 2014 we funded 7 of the 31 projects requesting \$624,585 and for 2015 we funded only 6 of the 20 projects request \$390,871.
- The large infrastructure program dollars added by the 2011 legislature allowed us to fund six of 16 projects that applied. \$750,000 was funded from total requests of \$3,841,908. The \$750,000 in funding was continued by the 2013 legislature. The dollars funded 8 of the 18 projects who requested \$4.5 million.

Results:

As a result of the tourism grants new experiences are now available to visitors statewide.

- Infrastructure funds (2011 and 2013) have been awarded to projects in 10 communities.
- All types of projects for various visitor interests have expanded: zoos, gardens, museums, visitor centers, historic sites, theaters, RV parks, trails, unique accommodations, art exhibits, kiosks and interpretation, fairgrounds, ski lodges, wineries, scenic byways as well as agritourism and recreation related projects.

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Some examples of projects the grant programs have assisted in funding:

- Annie's House, Bottineau Winter Park – expansion to include only adaptive skiing facility in a multi-state region. Facility has been expanded to provide year-round activities such as hiking, fishing and hosting conferences.
- Black Leg Ranch, Sterling – first new full-service guest ranch in a number of years. To date, well over 100 international guests from countries including Germany, Norway, Australia, France and Sweden have been hosted.
- Coteau des Prairies Lodge, Havana – 4-story, 10-bedroom rural lodge offering a variety of activities and events. Agritourism offerings include traditional and modern farming activities to both regional and international guests.
- Dakota Sun Gardens, Carrington – New destination popular with bus tours and outdoor events. Included expansion of event center and winery.
- Grand Forks Boat House – Facility that opens up recreational activities on the Red River and Grand Forks Greenway. Provides a base of operation for Extreme Adventure North Dakota, which is a company that coordinates extreme adventure activities attracting participants from across North America to North Dakota, including the Extreme Adventure Race North American Championship held in the North Dakota Badlands in October 2014.
- Riverdale High Lodge and Sakakawea Sunset Lodge, Riverdale – additional 26 new lodging units between the two businesses in addition to watercraft rentals at one.

Change Group: A	Change Type: D	Change No: 15	Priority: 3
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Unmanned aerial systems

For the 2013-2015 biennium, the legislature appropriated \$4,000,000 to support the operations of a Federal Aviation Administration (FAA) designated Unmanned Aircraft Systems (UAS) Test Site (TS). North Dakota was successful in being designated as one of six locations nationally to support the FAA in their efforts to integrate UAS into the National Air Space (NAS). North Dakota created the Northern Plains (NP) UAS TS to serve as the operational group to deliver the program offerings for North Dakota.

North Dakota has an agreement with the FAA to support this effort. The present agreement with the FAA runs through February, 2017. Additional funding is being requested to support the ongoing operations of the NP UAS TS during the 2015-2017 biennium to operate through the end of the agreement period with the FAA.

The funding requested will support North Dakota's efforts to further position itself as a leader in the emerging UAS industry in the United States. This positioning has and will continue to provide expanded economic opportunities for North Dakota through the attraction and establishment of companies throughout the state operating in the UAS industry sector.

The projected total NP UAS TS operational budget needs for the 2015-2017 biennium are \$3,740,000. It is anticipated that there will be approximately \$1,000,000 of the 2013-2015 biennium funding that will not be expended during the biennium due to delays in the FAA's designation that came six months into the biennium. There was also \$1,000,000 appropriated for the 2013-2015 biennium that was designated to be used to cover costs associated with ND's efforts to receive the FAA TS designation. \$478,620 of the \$1,000,000 was actually used leaving a balance of \$521,380 remaining in that fund. This proposed Optional Budget Package includes the total \$3,740,000 operational budget needs. It is going to be requested that the legislature allow carryover and redesignation of the projected unexpended funds from the 2013-2015 biennium of \$1,000,000 and \$521,380. If the carryover and redesignation authority is granted, this would put the request for funding for this program from the general fund for the 2015-2017 biennium of \$2,218,620

Change Group: A	Change Type: D	Change No: 16	Priority: 8
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Workforce enhancement grants

Provides grants to designated NDUS Training Institutions for creation or enhancement of programs to meet employer demand. This program has carry-over authority and it is projected that uncommitted funds from the 2013-15 biennium, along with this allocation will meet demand.

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Change Group: A	Change Type: D	Change No: 19	Priority: 22
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Rural health services grant

To provide matching funds to an organization to assist in the recruitment, distribution, supply, quality, and efficiency of personnel providing health services in rural areas of the state. The funds will be used as a dollar-for-dollar matching funds from nonstate sources.

Change Group: A	Change Type: D	Change No: 24	Priority:
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Midwest markets promotion

Change Group: A	Change Type: D	Change No: 25	Priority:
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UAS promotion

OBJECTIVE: To obtain funding for out-of-state promotion of North Dakota as a UAS industry leader in order to entice greater awareness of the state's opportunities and business climate, leading to the location of companies within North Dakota or greater business for North Dakota-based companies.

OPPORTUNITY: The announcement of North Dakota as the location of an FAA UAS test site has created great opportunity for the state to become a global leader in the UAS industry. As the FAA works to commercialize UAS flight, North Dakota has the opportunity to be front and center as companies and entrepreneurs develop businesses in this emerging industry.

To ensure the North Dakota is a top of mind choice for businesses looking to locate a UAS industry or feeder business, continued emphasis on promotion of this industry must continue. The Promotion of North Dakota's UAS Industry would include the following:

- Aggressive out-of-state marketing and promotion of the North Dakota UAS/Northern Plains UAS brand for potential business partners. (\$170,000)
- Creation of cooperative materials that can be used by economic development partners in UAS recruiting efforts. (\$12,000)
- Participation and sponsorship in targeted trade-shows internationally focused on UAS business attraction. (\$60,000)
- Enhanced website functionality and digital content management/creation. (\$8,000)

RESULT: Legislators should expect the following results if full funding for this Promotion of North Dakota's UAS Industry is provided.

1. Increased Economic Wealth
 - Engage 50 companies or other organizations in discussions on using the Northern Plains UAS test site for R&D-related activities.
 - Secure 25 Northern Plains UAS test site agreements.
2. Enhanced Reputation
 - Demonstrate subject matter expertise in UAS industry with five or more requests to present at national and international level events.
 - Achieve a minimum of 30 positive, unique media placements from outlets outside North Dakota that include one or more key messages from the Northern Plains UAS test site.
3. Unified Front
 - Achieve 1,000 unique visitors per month on NDUAS.com, and have a minimum referral rate of 50% to the Northern Plains UAS stakeholders.
 - Increase the average number of key messages used in media placements from one to three.
 - Raise at least \$50,000 in private sector sponsorship through participation in targeted trade-shows.

Change Group: A	Change Type: D	Change No: 26	Priority:
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Welcoming ND

Change Group: A	Change Type: D	Change No: 29	Priority: 2
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Tourism Midwest markets

Objective: To obtain funding for a new marketing campaign in the Chicago market, resulting in awareness of North Dakota as a tourism destination, visitation increases from Chicago and Illinois (some in Michigan and Indiana) and increased awareness from potential new workforce who have visited and are more compelled to consider North Dakota.

Opportunity:

Chicago is the 3rd highest ranked market in the US with 3,596,200 households. 51.7% are women and women make the majority of travel decisions. Illinois has a population of 12.9 million and a 7.5% unemployment rate, one of the highest in the nation.

- Illinois was the top state requesting travel information in 2013 (with 2,891 of which 365 were from Chicago)
 - Illinois has been in the top five for a decade.
- Visits to ND Tourism.com shows 9,574 visits from Chicago and 20,049 from Illinois (July 2013-June 2014.) Interest is growing, through April of 2014 there were 7,824 visits from Illinois up 57.6% and 1,659 visits from Chicago up 100%.
- Illinois is in the top 10 states for 2013 nonresident licenses sold in all major hunting categories, most notably the 4th largest state among waterfowl
 - Over 65% of all non-resident hunters and anglers come from urban areas
- Early stats from the Find the Good Life in North Dakota website show 2,132 sessions from Illinois and 1007 sessions from Chicago
 - Illinois is the leading market
- Public relations opportunities are strongest when targeting a new market
- Direct flights are provided by United and American Airlines to Bismarck and Fargo. Chicago was the #7 state of origin for flights to North Dakota in 2013 with 24,240 arriving passengers before American expanded into Bismarck.

Results:

Based on the tourism division's past success with tourism marketing campaigns, legislators and other stakeholders can expect a very strong return on the advertising investment. Using the average return per ROI studies from 2005, 2007, 2010, 2012, the return in visitor expenditures would be 1:103.5 and the return in taxes paid would be 1:8.33. Therefore if we invest \$3.19 million in paid media the return in visitor expenditures would be \$330 million and the return in taxes would be \$26.6 million.

Employers have also told us it costs them \$30,000 - \$100,000 to attract one employee. The improved awareness of North Dakota should greatly assist workforce recruitment efforts.

State Convention and Visitors Bureaus spend a good portion of their budgets attracting meetings and events and the Fargo, Grand Forks and Bismarck bureaus normally do several industry trade shows in Chicago each year to attract this business. The advertising would assist their efforts in attracting major events to our state as well.

Change Group: A	Change Type: D	Change No: 30	Priority: 14
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Foreign direct investment

The scope and scale of business development projects the ED&F staff are working on are at a level that demand significant levels of capital investment and many times are in search of global partners that have operational experience in various industry sectors as well as technology and capital. North Dakota is well positioned to not only

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capitalize on developing industry activity in the state that has a history of domestic success, but it also has opportunities to be on the front end of emerging industries that are new to the U.S., but which have long been established internationally (i.e. UAS industry).

The proposed optional package will provide funding to allow Commerce/ED&F to broaden its business development efforts to: attract international companies to establish operation in North Dakota; expand outreach to foreign investors looking to invest in ND; develop business to business relationships to bring foreign business interests technologies, operating experience and markets to ND and US companies presently operating in ND or looking to operate in ND.

Change Group: A	Change Type: D	Change No: 33	Priority:
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Community action self-sufficiency

North Dakota CAA's have always been very resourceful in finding supplemental funding to support the services provided to their clients. Unfortunately, the cost of living in North Dakota has continuously increased these past few years and the funding sources have not kept pace. Food and housing are just two of the essential components needed to sustain life that have sky rocketed tremendously. These funds will provide the CAP Self-Sufficiency programs the emergency assistance resources necessary to support those in need and get them on the road to self-sufficiency. This funding would only be used for direct client services, such as housing and food assistance.

Change Group: A	Change Type: D	Change No: 34	Priority: 10
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Educators and Industry externships

Funds will be contracted to NDSU for expansion of an educator summer externship program . Provides educators with hands on experience in approved businesses; gives them exposure to ND's work opportunities so they can better prepare youth. Includes funds for professor of record, post-worksite learning activity and 50% of stipend to participant (matched by employer). The program is currently located in the Fargo and Bismarck areas and this proposes to increase sites throughout North Dakota.

Overview

1) Basis for the program is the model established by Greater Fargo-Moorhead Economic Development Corporation, North Dakota State University and South East Education Cooperative (a regional education association).

2) Proposal provides \$2,000 stipends to North Dakota K-16 educators, and K-12 career advisors and administrators for 4-week work experience with a company that focuses on formal problem solving processes to solve local, regional and global technological challenges.

- 50% of stipend is covered by State funds.
- 50% of stipend is covered by the participating employer.

3) Proposal budget of \$290,000 plans for 54 participants in *Educator in Industry* plus continued educational work with participants from the Fargo Moorhead model.

- Budget includes stipends, travel and substitute teacher costs for participants to engage in joint learning activities throughout the school year, funds to engage previous participants in the learning activities, and costs of managing the program.

4) Administration of the program requires expertise in preparing educators. Dr. Bradley Bowen (NDSU) serves as the professor of record and manages the program activities. Activities include intensive efforts to ensure that participants develop and implement plans for applying what they've learned to the classroom. Dr. Bowen's major responsibilities include:

- Continuous collaboration with local EDAs to recruit and select host companies

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- Coordinate and conduct the educator application, interview, and selection process in collaboration with the local EDAs
- Establish course requirements and ensure credit availability for educators at both the continuing education (non-degree) and graduate level
- Actively participate the four Fridays of the externship by meeting with the educators for the "Friday Discussions" held at the participating company hosts.
- Coordinate a community wide professional development event at one of the local companies with the current participating educators, past educator participants, and local administrators to collaborate in an education/industry partnership program.
- Evaluate educator portfolios as a component of the course requirements
- Provide feedback and instruction on the development and implementation of effective STEM and problem-based classroom activities
- Evaluate and provide feedback for the implemented lessons conducted by the educators
- Grade the final portfolios and issue course grades for the educators
- Continuously support and advise educators throughout the year
- Company follow-up to ensure program improvement

Program monitoring and evaluation

Change Group: A	Change Type: D	Change No: 35	Priority: 9
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Find the good life

To provide matching funds to employer contributions for Find the Good Life in North Dakota recruitment efforts. These funds will provide a dollar-for-dollar match for employer contributions for a statewide workforce recruiting campaign. There is a need to attract and retain a permanent workforce in North Dakota to fill the jobs created by the state's economic success. North Dakota has the strongest economy in the country, which has fueled unprecedented growth across the state, and led to a shortage of workers for our high-demand industries: health care, transportation, energy, engineering, skilled trades and information technology. Our goal with this program, "Find the Good Life in North Dakota," is to attract and retain the permanent workforce to meet the needs of our state's workforce today and into the future.

Change Group: A	Change Type: D	Change No: 37	Priority: 13
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Promotion of UAS Industry

OBJECTIVE: To obtain funding for out-of-state promotion of North Dakota as a UAS industry leader in order to entice greater awareness of the state's opportunities and business climate, leading to the location of companies within North Dakota or greater business for North Dakota-based companies.

OPPORTUNITY: The announcement of North Dakota as the location of an FAA UAS test site has created great opportunity for the state to become a global leader in the UAS industry. As the FAA works to commercialize UAS flight, North Dakota has the opportunity to be front and center as companies and entrepreneurs develop businesses in this emerging industry.

To ensure the North Dakota is a top of mind choice for businesses looking to locate a UAS industry or feeder business, continued emphasis on promotion of this industry must continue. The Promotion of North Dakota's UAS Industry would include the following:

- Aggressive out-of-state marketing and promotion of the North Dakota UAS/Northern Plains UAS brand for potential business partners. (\$170,000)
- Creation of cooperative materials that can be used by economic development partners in UAS recruiting efforts. (\$12,000)
- Participation and sponsorship in targeted trade-shows internationally focused on UAS business attraction. (\$60,000)
- Enhanced website functionality and digital content management/creation. (\$8,000)

RESULT: Legislators should expect the following results if full funding for this Promotion of North Dakota's UAS Industry is provided.

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1. Increased Economic Wealth
 - Engage 50 companies or other organizations in discussions on using the Northern Plains UAS test site for R&D-related activities.
 - Secure 25 Northern Plains UAS test site agreements.
2. Enhanced Reputation
 - Demonstrate subject matter expertise in UAS industry with five or more requests to present at national and international level events.
 - Achieve a minimum of 30 positive, unique media placements from outlets outside North Dakota that include one or more key messages from the Northern Plains UAS test site.
3. Unified Front
 - Achieve 1,000 unique visitors per month on NDUAS.com, and have a minimum referral rate of 50% to the Northern Plains UAS stakeholders.
 - Increase the average number of key messages used in media placements from one to three.
 - Raise at least \$50,000 in private sector sponsorship through participation in targeted trade-shows.

Change Group: A	Change Type: D	Change No: 38	Priority: 23
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Tribal College Grants

To provide grant dollars to the five tribally controlled colleges in North Dakota to create and expand workforce development programs for North Dakota students to fill high demand positions in the state.

Change Group: A	Change Type: E	Change No: 7	Priority:
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Remove prior biennium one-time appropriations

This adjustment is made to the current appropriation to reduce the appropriation by one-time items.

Change Group: A	Change Type: E	Change No: 9	Priority:
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Remove Carryover authority

This adjustment is made to the current appropriation to reduce the appropriation by the carryover amount.

Change Group: A	Change Type: F	Change No: 10	Priority:
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Remove prior biennium capital assets

This adjustment is made to remove prior biennium capital asset appropriations.

Change Group: R	Change Type: A	Change No: 1	Priority:
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Inflationary Increase

BUDGET CHANGES NARRATIVE**601 Department of Commerce****Bill#: HB1018****Date:** 12/23/2014**Time:** 13:08:26

This recommendation provides \$198,341 for bulidng rent and ITD data processing cost increases.

Change Group: R	Change Type: A	Change No: 2	Priority:
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Tourism Administration FTE

This recommendation authorizes .15 FTE and \$11,276 to convert an existing .85 FTE to full time.

Change Group: R	Change Type: A	Change No: 3	Priority:
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Tourism International

This recommendation provides \$247,836 for increased costs for international tourism contracts.

Change Group: R	Change Type: A	Change No: 4	Priority:
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Community Development Block Grant Administration

This recommendation includes \$160,640 for increased administrative match needs for the Community Development Block Grant.

Change Group: R	Change Type: A	Change No: 5	Priority:
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Partner Programs

This recommendation provides \$400,000 for inflationary increases and state matching funds for the following partner programs:

- Manufacturing Extension Partnership - \$200,000
- Women's Business Development Office and Rural Development Office - \$100,000
- Small Business Development Center - \$100,000

Change Group: R	Change Type: B	Change No: 1	Priority:
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Tourism Midwest Markets

This recommendation provides \$1.0 million one-time funds to expand toursim marketing in the Midwest markets.

Change Group: R	Change Type: B	Change No: 2	Priority:
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Unmanned Aerial Systems

This recommendation provides \$2,718,620 million for UAS Test Site operations. \$1.2 million will be used for a business incentive match fund, and \$1.6 million will be used for site administration.

Additionally, about \$1.5 million will be carried forward from the 2013-15 appropriation.

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Change Group: R	Change Type: B	Change No: 3	Priority:
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Research ND

This recommendation authorizes \$8.0 million one-time funds to continue the Research ND program. Approximately \$2.0 million of the 2013-15 appropriation is currently unallocated and will also be available for use in 2015-17.

Change Group: R	Change Type: B	Change No: 4	Priority:
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Childcare Facility Grants

The recommendation provides \$3.0 million one-time funds to continue the existing childcare facility grant program, which increases childcare capacity throughout the state.

Change Group: R	Change Type: B	Change No: 5	Priority:
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Tourism Infrastructure Grants

This recommendation provides \$750,000 for one-time Toursim large infrastructure grants.

Change Group: R	Change Type: B	Change No: 6	Priority:
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Workforce Enhancement Grants

This recommendation provides \$1.5 million one-time funds for workforce program enhancement grants to designated NDUS training institutions. Additionally, approximately \$500,000 will be carried forward from the 2013-15 appropriation.

Change Group: R	Change Type: B	Change No: 7	Priority:
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Find the Good Life

This recommendation provides \$500,000 one-time matching funds to complement business contributions for a statewide workforce recruiting campaign.

Change Group: R	Change Type: B	Change No: 8	Priority:
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Educators in Industry Externships

This recommendation provides \$50,000 one-time funds for Educators in Industry Externships, as part of the Operation Intern program.

Change Group: R	Change Type: B	Change No: 9	Priority:
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Base Retention Grants

This recommendation provides \$1.5 million for base retention grants. \$500,000 will be available to each of the three cities - Grand Forks, Minot and Fargo - with an air force base or national guard facilities.

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Change Group: R	Change Type: B	Change No: 10	Priority:
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Tribal College Grants

This recommendation provides \$6.0 million for workforce development grants to tribally controlled community colleges. At least \$1.0 million the amount is directed to program-related equipment needs.

Change Group: R	Change Type: B	Change No: 11	Priority:
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Entrepreneurial Centers and Vouchers

This recommendation provides \$1.0 million one-time funds for vouchers for Innovate ND participants to access resources to advance their businesses; grants to entrepreneurial centers to assist entrepreneurs; and grants to startup technology and innovative businesses.

Change Group: R	Change Type: B	Change No: 12	Priority:
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Homeless Shelter Grants

This recommendation provides \$1.0 million one-time funds to continue the existing ND Homeless Grant Program, which provides financial assistance to homeless shelters throughout the state.

Change Group: R	Change Type: B	Change No: 13	Priority:
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Pre-Kindergarten Community Grants

This recommendation approves \$6.0 million one-time funds (for the second year of the biennium) for grants to organizations in ND communities that offer qualifying pre-school education programs.

Change Group: R	Change Type: B	Change No: 14	Priority:
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ND Safety Council Grant

This recommendation provides \$2.0 million as a one-time grant to the ND Safety Council to assist with construction of a workforce safety training facility.

Change Group: R	Change Type: B	Change No: 15	Priority:
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Special Olympics Contingent Grant

This recommendation provides \$2.0 million as a one-time grant for the Special Olympics, only if North Dakota is selected as the site of the next Special Olympics games.

Change Group: R	Change Type: B	Change No: 16	Priority:
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Enhanced Use Lease Contingent Grant

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This recommendation includes a \$5.0 million contingent appropriation from the strategic investment and improvements fund for the enhanced use lease grant program. Grants are available for developing infrastructure (utilities, fiber, etc.) required for an enhanced use lease private sector business development project located on or adjacent to the Grand Forks Air Force Base. Contingencies are as follows:

- \$2.5 million is available after construction commences and agreement is reached for a second private sector single-tenant or multi-tenant building on the property.
- The remaining \$2.5 million is available if an agreement is reached with any data center for data connectivity and redundancy infrastructure requirements, such as fiber.